

REMARKS/ARGUMENTS

Claims 1-83 remain pending in this U.S. Patent Application No. 09/578,631 (the "'631 Application"). Claims 1-15, 18-56 and 59-83 stand rejected; claims 16, 17, 57 and 58 stand objected to as being dependent upon a rejected base claim. Applicants submit that the remarks below, in connection with the new Declaration and Exhibits submitted herewith, overcome all rejections of and objections to claims 1-83.

New Declaration under 37 CFR § 1.131

Applicants herein submit a new Declaration under 37 C.F.R. §1.131 based upon newly located records. The Declaration submitted on June 19, 2003 was filed in good faith and included all relevant records Applicants were able to locate after a diligent search. The recent discovery of additional records was not timely to be included in the previous Declaration. Applicants respectfully request admission of the new Declaration and associated Exhibits filed therewith.

The new Rule 131 Declaration includes recently located new Exhibit 1, and new supporting Exhibits 2 and 3. In order to accommodate the new Exhibits, Exhibits 1-19 of the Declaration filed June 19, 2003, have been renumbered as Exhibits 4-22, to maintain date-ordering of these documents. New Exhibit 1 is a copy of a business feasibility worksheet from Applicant William H. Barber's Masters of Business Administration ("MBA") Retreat, dated June of 1997 and laying out concepts of a disk dispensing and retrieval system as described in the immediate '631 Application. For example, page 5 of Exhibit 1 discusses the idea of forming a company called "Disc-Spenser" (in answer to the question "What is the name of our company?"). The following page of Exhibit 1 describes a service designed to "provide a convenient way for the public to rent or buy movies thru (sp) the latest technology", including website reservation, convenience (from car, more locations), cost (less staff, lower overhead), automation (inventory control) and 7 days/24 hour operation. These features are also found in the '631 Application, for example: on page 2, lines 24-30; in the paragraph beginning on page 7, line 27 and ending on page 8, line 3; and on page 9, lines 32-34, among other locations.

For further examples, page 7 of Exhibit 1, third section, states that a kiosk will be used as a distribution channel. A kiosk is also discussed throughout the '631 Application, for

example, on page 2, line 27 and on page 5, lines 18-19. Similarly, page 8 of Exhibit 1, second section, cites a specialized vending machine. A specialized vending machine is also described throughout the '631 Application, for example in the paragraph beginning on page 2, line 31 and ending on page 3, line 12.

The features mentioned above, including the kiosk and vending machine, similarly extend throughout Exhibits 4-22, for example, the first sentence of Exhibit 4 states “The concept is a DVD vending Kiosk”, and Exhibits 5 and 6 outline possible disk configurations and basic layout of the disk dispensing and retrieval system such as in the '631 Application.

The Declaration and Exhibits filed on June 19, 2003 have been found by the Examiner to be sufficient to overcome the December 31, 1998 reference date of Hamm et al. Applicants submit that the new Declaration is also sufficient to antedate Kitchen.

Applicants also present new Exhibits 2 and 3. New Exhibit 2 is a copy of Applicant William H. Barber’s transcript from his MBA program at the University of Colorado, Denver, from the Fall semester of 1996 through the Spring semester of 1998. The transcript details courses taken to further the development of a business model for the disk dispensing and retrieval system of the '631 application. Throughout the period of attendance in the MBA program, various business plans and Excel sheets were created in further development of the disk dispensing and retrieval system. Exhibit 3, a Declaration of classmate Scott Mackey, testifies to the existence of such plans, which were subsequently destroyed during subsequent computer upgrades.

The date of conception for inventions in the '631 Application is thus earlier than the March 3, 1998 effective date of Kitchen. Applicants provide evidence of conception and reduction to practice for the disk dispensing and retrieval system in Exhibits 1-22, in support thereof. Applicants now respectfully request elimination of Kitchen as a prior art reference, withdrawal of the 103(a) rejections based on Kitchen, and allowance of the immediate application, such as set forth below.

Claim Rejections – 35 USC § 103(a)

Claims 1-8, 18, 20-24, 26-29, 36-38, 42-53, 59-65, 67-70, 77-79 and 83 stand rejected as being unpatentable over U.S. Patent No. 5,934,439 (“Kano”) in view of U.S. Patent No. 6,289,322 (“Kitchen”). Applicants respectfully disagree and traverse the rejection. As

shown in the attached Declaration under 37 CFR §1.131, Kitchen is not prior art to the inventions of claims 1-8, 18, 20-24, 26-29, 36-38, 42-53, 59-65, 67-70, 77-79 and 83.

The attached Declaration under 37 CFR §1.131, filed to antedate Kitchen, specifically shows conception of the invention prior to the effective date of Kitchen (March 3, 1998), and due diligence from this conception to the filing date of the present application. The Declaration further asserts that all acts relied upon were conducted within the United States. Accordingly, Applicants have demonstrated why Kitchen is inapplicable as prior art to the present invention.

Furthermore, Kanoh also does not render claims 1-8, 18, 20-24, 26-29, 36-38, 42-53, 59-65, 67-70, 77-79 and 83 *prima facie* obvious. The following is a quotation of from the MPEP setting forth the three basic criteria that must be met to establish a *prima facie* case of obviousness:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the references or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. MPEP §2142, citing *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

Among other reasons, Kanoh does not teach each and every feature of claims 1-8, 27-29, 42, 44-53, 60-62, 69, 70 and 83, and cannot therefore anticipate or render these claims obvious. In one example, and as noted by the Examiner, Kanoh does not disclose transmitting an electronic receipt for a transaction to a user specified address received in billing information, as described in Applicants' claims 1 and 43. Therefore, Kanoh does not anticipate or render claims 1 or 43 obvious since each element is not shown or described by Kanoh. Applicants respectfully request reconsideration and allowance of claims 1 and 43.

As claims 2-8, 18, 20-24, 26-29, 36-38, and 42 depend from base claim 1 and claims 44-53, 59-65, 67-70, 77-79 and 83 depend from base claim 43, Applicants contend that they are allowable at least for the same reasons set forth above. Applicants therefore request withdrawal of the objection to claims 2-8, 18, 20-24, 26-29, 36-38, 42, 53, 59-65, 67-70, 77-79 and 83, and allowance of all claims.

Additional patentable distinctions are also apparent with respect to claims 2-8, 27-29, 42, 44-53, 60-62, 69, 70 and 83, for example. By way of example, the following features, among others, are not taught, suggested or disclosed within Kanoh:

- instructions to read from one of said optical storage media (claim 2);
- instructions to display data read from an optical storage media (claim 2);
- instructions to read and detect errors on returned media (claim 5);
- instructions to generate a recording responsive to the detection of errors on the media (claim 6);
- instructions to receive a signal from a user that the media contains an error (claim 7);
- reading a signal from a flag on a casing that is returned with the media (claim 8);
- a storage carousel (claim 9);
- a media polishing mechanism (claim 13);
- an internet service provider to convey messages (claim 26);
- a third processor operable to direct the transmission of messages (claim 26);
- instructions to insert or remove data from a message (claim 26);

Claims 30-32, 71 and 72 stand rejected as being unpatentable over Kanoh in view of Kitchen as applied to Applicants' claim 2, and further in view of U.S. Patent No. 5,822,291 ("Brindze"), under 35 U.S.C. §103(a). Applicants respectfully disagree and traverse the rejection since, among other reasons, Kitchen is not prior art to the inventions of claims 30-32, 71 and 72, as set forth in the attached Rule 131 Declaration.

As applied to Applicants' claim 1, claims 30-32, 71 and 72 stand rejected as being unpatentable over Kanoh in view of Kitchen and further in view of Brindze. Applicants respectfully disagree and traverse the rejection since, among other reasons, Kitchen is not prior art to the inventions of claims 30-32, 71 and 72, as set forth in the attached Rule 131 Declaration.

Furthermore, Kanoh and Brindze do not render claims 30-32, 71 and 72 *prima facie* obvious, since, among other reasons, Kanoh and Brindze, taken separately or in combination, fail to teach or reasonably suggest every element of claims 30-32, 71 and 72. Reconsideration is requested.

Claims 9-12 and 19 stand rejected as being unpatentable over Kanoh in view of Kitchen as applied to Applicants' claim 1, and further in view of U.S. Patent No. 4,915,205 ("Reid"), under 35 U.S.C. §103(a). Applicants respectfully disagree and traverse the rejection since, among other reasons, Kitchen is not prior art to the inventions of claims 9-12 and 19, as set forth in the attached Rule 131 Declaration. Note that Applicants are somewhat confused with this rejection since the Examiner applies "Reid" in the rejection but then discusses "O'Neil". Applicants therefore discuss each of Reid, O'Neil, Kanoh in the following arguments.

In the Office Action of August 6, 2003, the Examiner states that Kanoh, as modified by U.S. Patent No. 4,812,629 ("O'Neil"), shows all the features of the applicant's claimed invention except a storage carousel for the CDs (see page 4, last paragraph). However, as stated by the Examiner, Kanoh does not disclose electronically transmitting a receipt to the user. O'Neil discloses a "receipt printer 112 to print a receipt for the customer" (col. 10, lines 60-61). Therefore, Kanoh, as modified by O'Neil, fails to show a storage carousel for the CD's (as noted by the Examiner) *and* fails to show electronically transmitting a receipt to the user, among other differences. Reid teaches printing information on a printer (col. 6, lines 38-39). Applicant therefore contends that Kanoh as modified by O'Neil and considering Reid still fails to teach or suggest all features of the applicant's claimed invention, for example, electronically transmitting a receipt to the user. Kanoh, Reid and/or O'Neil therefore do not render claims 9-12 and 19 *prima facie* obvious, since, among other reasons, Kanoh Reid and O'Neil, alone or in combination, fail to teach every element of claims 9-12 and 19. Reconsideration is requested.

Claims 13, 54, 55 and 56 stand rejected as being unpatentable over Kanoh in view of Kitchen as applied to Applicants' claim 1, and further in view of U.S. Patent No. 5,938,510 ("Takahashi"), under 35 U.S.C. §103(a). Applicants respectfully disagree and traverse the rejection since, among other reasons, Kitchen is not prior art to the inventions of claims 13, 54, 55 and 56, as set forth in the attached Rule 131 Declaration.

Furthermore, neither Kanoh nor Takahashi, taken separately or in any combination, render claims 13, 54, 55 and 56 *prima facie* obvious, for example, because both Kanoh and Takahashi, together or in combination, fail to teach every element of claims 13, 54, 55 and 56. Reconsideration is requested.

As applied to Applicants' claim 2, claims 14 and 15 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Kanoh in view of Kitchen, further in view of Takahashi. Applicants respectfully disagree and traverse the rejection since, among other reasons, Kitchen is not prior art to the inventions of claims 14 and 15, as set forth in the attached Rule 131 Declaration.

Furthermore, Kanoh and Takahashi also fail to render claims 14 and 15 *prima facie* obvious, since, among other reasons, Kanoh and Takahashi fail to teach or reasonably suggest every element of claims 14 and 15. Reconsideration is requested.

Claims 25, 34, 35, 66, 75 and 76 stand rejected as being unpatentable over Kanoh in view of Kitchen as applied to Applicants' claim 1, further in view of U.S. Patent No. 5,724,521 ("Dedrick"), under 35 U.S.C. §103(a). Applicants respectfully disagree and traverse the rejection since, among other reasons, Kitchen is not prior art to the inventions of claims 25, 34, 35, 66, 75 and 76, as set forth in the attached Rule 131 Declaration.

As described above, Kanoh does not render claims 25, 34, 35, 66, 75 and 76 *prima facie* obvious. Dedrick, alone or in combination with Kanoh, also fails to render claims 25, 34, 35, 66, 75 and 76 *prima facie* obvious since, among other reasons, Dedrick fails to teach every element of claims 25, 34, 35, 66, 75 and 76. Reconsideration is requested.

As applied to Applicants' claim 1, claims 33, 73 and 74 stand rejected as being unpatentable over Kanoh in view of Kitchen, further in view of U.S. Patent No. 5,900,608 ("Iida"), under 35 U.S.C. §103(a). Applicants respectfully disagree and traverse the rejection since, among other reasons, Kitchen is not prior art to the inventions of claims 33, 73 and 74, as set forth in the attached Rule 131 Declaration.

Furthermore, the attached Declaration under 37 CFR §1.131, filed to antedate Kitchen, specifically shows conception of the invention prior to the effective date of Iida (October 16, 1997). Iida is also antedated and therefore inapplicable as prior art to the present invention. Reconsideration is requested.

Claims 39-41 and 80-82 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Kanoh in view of Kitchen as applied to Applicants claim 1, further in view of Iida. 103(a). Applicants respectfully disagree and traverse the rejection since, among other reasons, neither Kitchen nor Iida are prior art to the inventions of claims 39-41 and 80-82, as set forth in the attached Rule 131 Declaration, and as argued above.

Allowable Subject Matter

Applicants appreciate the indication of allowable subject matter in claims 16, 17, 57, and 58.

Response to Arguments

The Examiner has considered and found the previous remarks by Applicants non-persuasive in view of the art as currently applied. Applicants submit herein a new Declaration filed under 37 C.F.R. §1.131 to antedate Kitchen, thus eliminating Kitchen from the art applied by the Examiner. Applicants have further presented arguments that demonstrate patentability over the Examiner's prior and new grounds for rejection.

In summary, we have shown why claims 1-83 are patentable distinguishable over the prior art and that both Kitchen and Iida are inapplicable as prior art references to these claims. Reconsideration and allowance of claims 1-83 is hereby requested. If an interview would expedite the allowance of the '631 application, the Examiner is encouraged to telephone.

It is believed that no fees are currently due. However, if any fee is deemed necessary in connection with this Response, the Commissioner is hereby authorized to charge Deposit Account No. 12-0600.

Respectfully submitted,

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